

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6227

BILL NUMBER: SB 47

NOTE PREPARED: Feb 3, 2009

BILL AMENDED: Feb 2, 2009

SUBJECT: Conversion by Failure to Return Rented Property.

FIRST AUTHOR: Sen. Steele

FIRST SPONSOR: Rep. L. Lawson

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Rental Lease or Agreement Requirements:* The bill requires a lessor to include in a rental or lease agreement: (1) the date, time, and place that a leased item must be returned; and (2) the potential criminal penalties faced by a person who violates the terms of a rental or lease agreement.

Criminal Penalty: It makes it a Class D felony if a person knowingly or intentionally fails to return a leased motor vehicle or item of personal property with intent to deprive the property owner of the use of the property, unless the person: (1) notifies the lessor on or before the return date specified in the rental or lease agreement that the person will be unable to return the leased or rented property in a timely manner; and (2) returns the leased or rented property within ten days of the specified return date..

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Criminal Penalty:* A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor, depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,287 in FY 2008. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was \$69,223. The average length of stay in Department of Correction facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Criminal Penalty:* If additional court cases occur and fines are collected,

revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 criminal costs fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: *Criminal Penalty:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: *Criminal Penalty:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 criminal costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of the criminal costs fee. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Sheriffs' Association, Department of Correction.

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